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# 2016 PET CARE SERVICES FINANCIAL SURVEY RESULTS REPORT

PRESENTED BY CRYSTAL CANINE & IBPSA



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## EXECUTIVE SUMMARY

On behalf of IBPSA (International Boarding & Pet Services Association) and Crystal Canine, Researchscape surveyed 106 pet-service owners from five countries in order to better understand the state of their businesses. The survey was fielded online from April 14 to June 19, 2017. Respondents were recruited from the membership rolls and house e-mail lists of IBPSA and Crystal Canine.

Nearly all businesses (93%) were located in the United States. Nine out of ten had a single location (90%), while a few had multiple locations (9%). Compared with 2014 data, single-location firms (from 85% up to 90%) seem to be replacing multiple-location firms (from 13% down to 9%). Those with multiple locations were asked to profile the location that was most representative of their business. The percentage of rural locations rose 7% from 2015, while urban and suburban businesses both declined 3-4%.

Dog boarding (42%) and dog daycare (20%) services constituted the greatest contributions to firms' total revenues for 2016. Businesses had been in operation since original inception for a median of 10 years, while the median for current ownership was 8 years. A third of respondents (30%) had been operating these businesses for 11 to 20 years.

The physical size of pet-service businesses ranged widely, but most locations (75%) had more than 2,000 square feet in space, with a median size of 4,500 square feet. The size of businesses' space has consistently decreased over the past three years, from 62% having 5,000 square feet or more in 2014 to just 47% doing the same in 2016. Most firms own (71%) versus rent their space, and this number has increased over the past two years.

Revenues from dog boarding (42%) and dog daycare (20%) constituted the greatest proportions of firms' total revenue. Pet-service locations reported a range of annual revenues for 2016, with a median of \$357,500.

Median prices for typical services (one-day) included dog boarding (\$36), dog daycare (\$26), and cat boarding (\$17). Many owners considered their prices to be average or slightly above average compared to competitors in their area. Dog boarding prices tended to skew higher above average (46%) than dog daycare prices (37%).

Many locations offer discounts: most commonly for boarding multiple pets in the same enclosure (66%), daycare for multiple pets (34%), and client demographic based discounts (34%). Average discounts for multiple-pet services were in the 20-25% range. Median rates for demographic-based discounts were most frequently 10%.

The top expenses for businesses in 2016 were repairs and maintenance, taxes, utilities, and merchant processing fees. Pet-service owners took home a median annual self-compensation of \$45,500 in 2016. The largest proportion of respondents were moderately satisfied (37%) with their pay, while a number were not satisfied at all (26%). Many owners depend on the business income as the sole source (38%) of their personal household income.

**ADDITIONAL FINDINGS**

Performance-based pay plans:

- Plans in effect were most common among managers (36%), customer service reps/receptionists (26%), and supervisors (25%).
- Roles for which a performance plan was most under consideration were boarding attendants (19%), managers (18%), and dog attendants (17%).
- Pet sitters (94%), dog walkers (89%), and dog trainers (79%) were least likely to have a performance plan.
- Firms in the Midwest, compared to those in other regions, were more likely to consider performance plans. For instance, 45% of those in the Midwest said they were considering performance pay plans for dog attendants, compared to 11% of respondents from all other regions.

	Census Region				
	Total	Northeast	Midwest	South	West
	(%)	(%)	(%)	(%)	(%)
<b>No performance</b>	67	60	↓ 36	76	67
<b>Yes - Currently offer performance pay</b>	17	20	18	18	20
<b>Considering performance pay plan</b>	17	20	↑ 45	6	13
<b>Base</b>	N=54	n=5	n=11	n=17	n=15

## Wages

Pet-service employees were paid median hourly wages of \$10-\$15 in 2016, with some positions eligible for commission.

Position (Hourly wage)	Median
Customer Service/Receptionist	\$12
Pet Care Attendant –boarding dog care	\$11
Dog Daycare Attendant – supervises group play	\$11
Bather – no haircuts	\$10
Groomer – haircuts	\$14*
Dog walker	\$11
Pet sitting	\$11
Dog Trainer – classes, privates, etc.	\$15**

\*Some also awarded a median commission of 50%.

\*\*Some also awarded a median commission of 40%.

Roles with greater responsibilities, such as supervisor and manager, were often paid an annual salary. Median 2016 salaries are shown below.

Position (Annual Salary)	Median
Supervisor	\$30,000
Manager	\$35,000
General Manager –absentee owner	\$50,000

Sample Size: 64 (60% of Respondents)

## Revenue Breakdown by Service

Pet-service locations offer a variety of services, resulting in a variety of revenue “bundles.” Revenues from dog boarding (42%) and dog daycare (20%) constituted the most significant contributions to total revenues for 2016. Other services like grooming (11%) and dog training (9%) were more important for some firms.

Service	Average	Maximum
<b>Dog boarding (per day/night for enclosure)</b>	42%	94%
<b>Dog daycare</b>	20%	100%
<b>Grooming (baths and haircuts)</b>	11%	97%
<b>Extra boarding activities</b>	4%	90%
<b>Dog training</b>	9%	100%
<b>Cage--free boarding</b>	2%	80%
<b>Retail sales</b>	3%	95%
<b>Cat boarding (per day/night for enclosure)</b>	2%	91%

*Sample Size: 79 (75% of Respondents)*

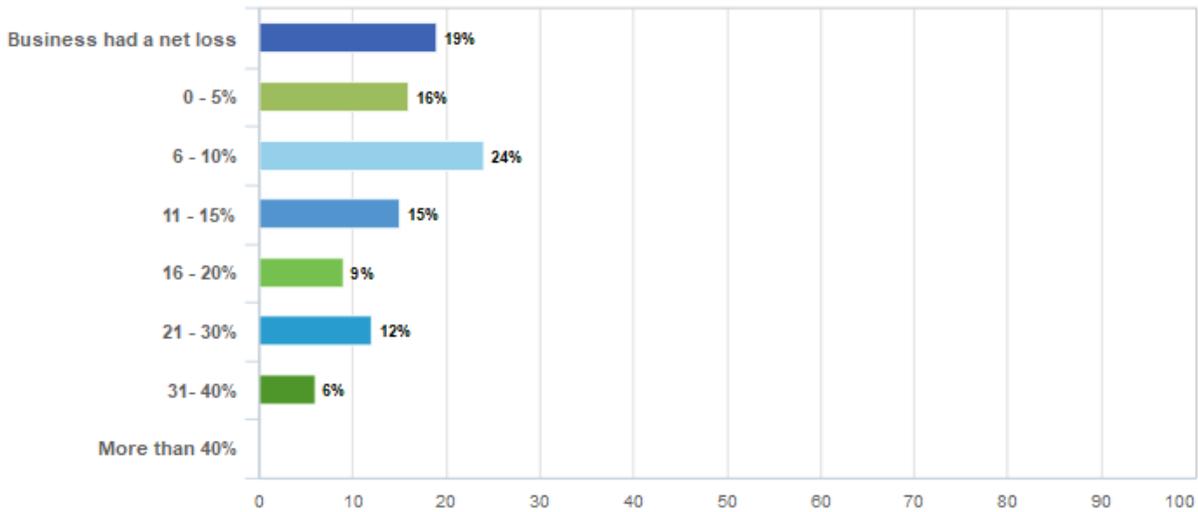
### Self-Compensation

Business owners took home a median annual compensation of \$45,500 in 2016, while responses ranged from -\$25,000 (a contribution to the business) to \$400,000.

Owner satisfaction with self-compensation has fallen steadily over the past three years. The share of owners who are “very” or “extremely” satisfied tumbled from 38% in 2014 to 20% in 2016.

### Net Profit & Loss

Most pet-service companies had a net profit percentage between 6% and 10% (24%). Just 6% had net profits that exceeded 30%. Almost a fifth reported a net loss (19%).



Sample Size: 68 (64% of Respondents)

### Payroll as a Percentage of Revenue

Payroll costs represented a median and mode (most common response) of 43% of total revenue for firms in 2016. A few reported no payroll costs (6%).

What percentage of your total revenue (total amount of gross income received by your business for pet care services) for 2016 did payroll costs represent in your business?



Sample size: 69

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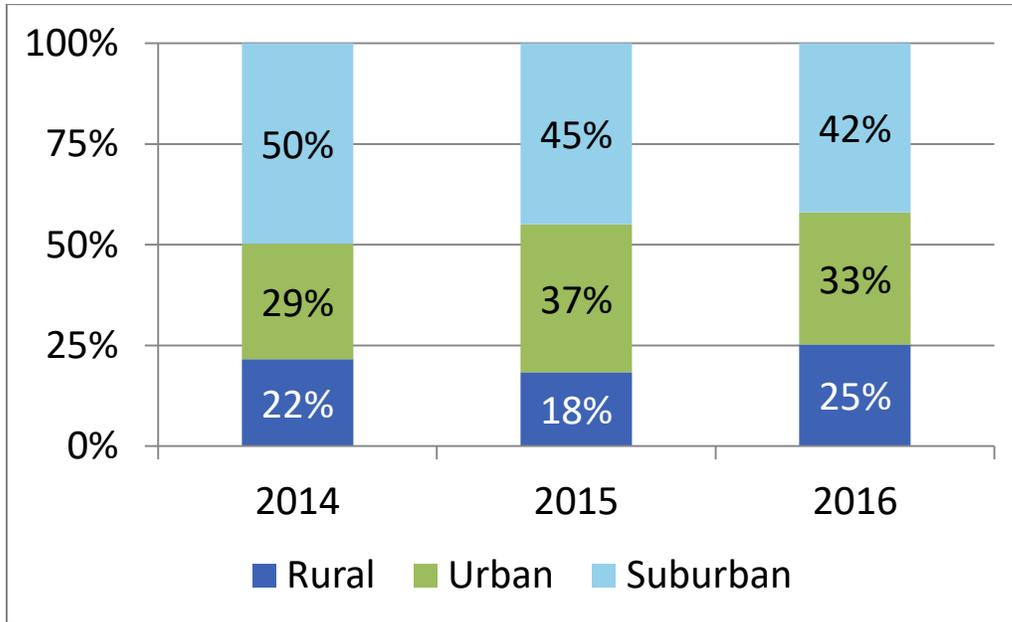
Indicate the range that includes your net profit percentage for 2016..... 72

SAMPLE

### Locations

The percentage of rural businesses grew from 18% in 2015 to 25% in 2016, while suburban businesses have declined steadily since 2014. The proportion of urban businesses fluctuates around a third (33% in 2016).

**Trend - How would you describe your geographic location?**

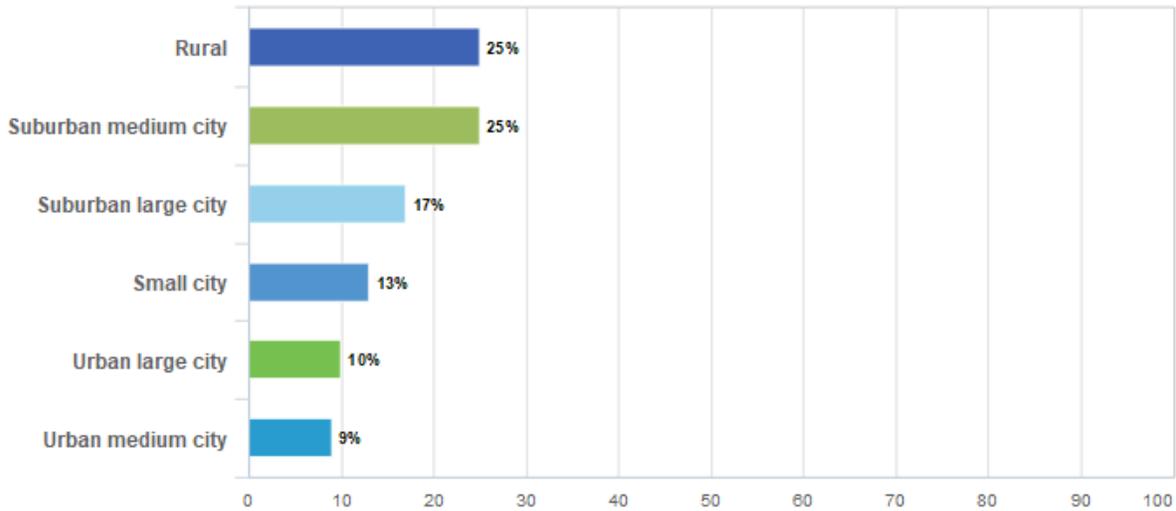


Sample Size: 397 (94% of Respondents)

SAM

In 2016, pet-service firms were most frequently in rural areas (25%) and suburban medium cities (25%). Another 17% were in suburban large cities.

How would you describe your geographic location?



Sample Size: 106 (All Respondents)

How would you describe your geographic location?

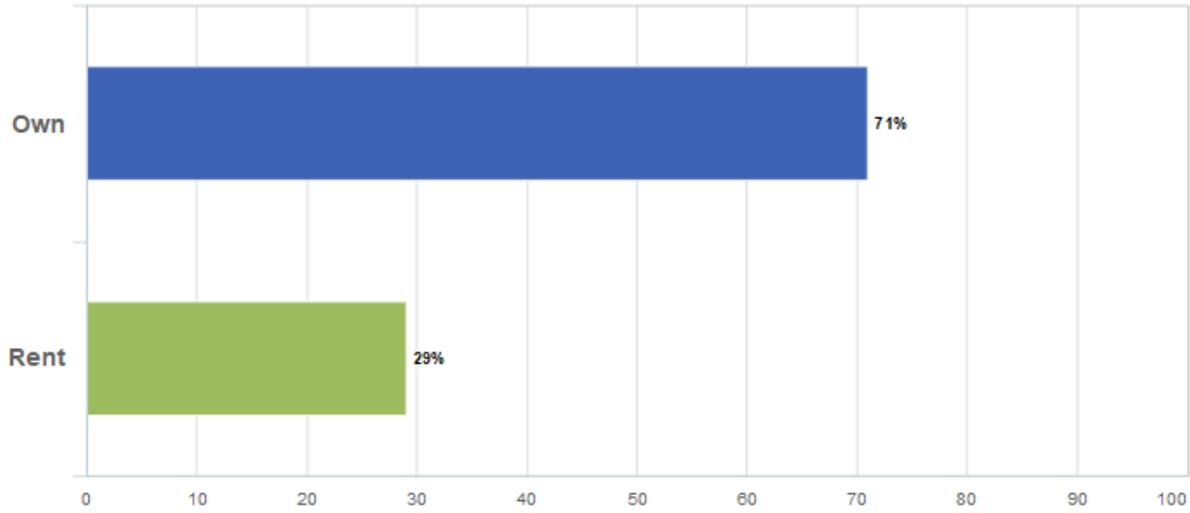
Rank	Option	Response %
1	Rural	25%
2	Suburban medium city	25%
3	Suburban large city	17%
4	Small city	13%
5	Urban large city	10%
6	Urban medium city	9%

Note: Only a single option could be selected

### Rent vs. Own

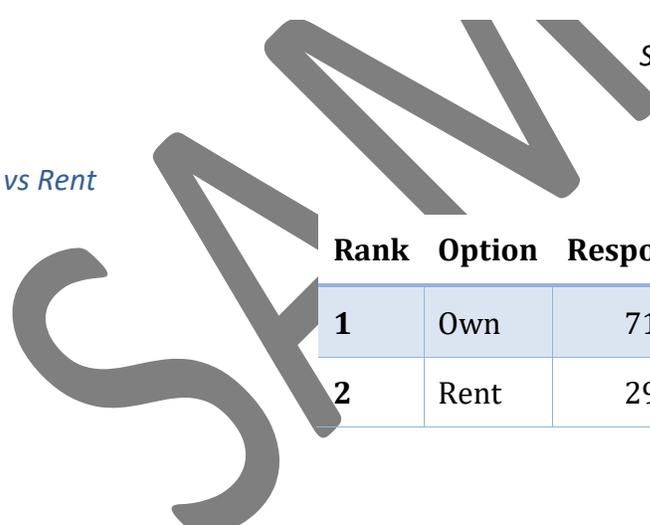
Seven out of ten respondents (71%) own the space from which their businesses operate, while just 29% rent.

#### Own vs Rent



Sample Size: 105 (99% of Respondents)

#### Own vs Rent

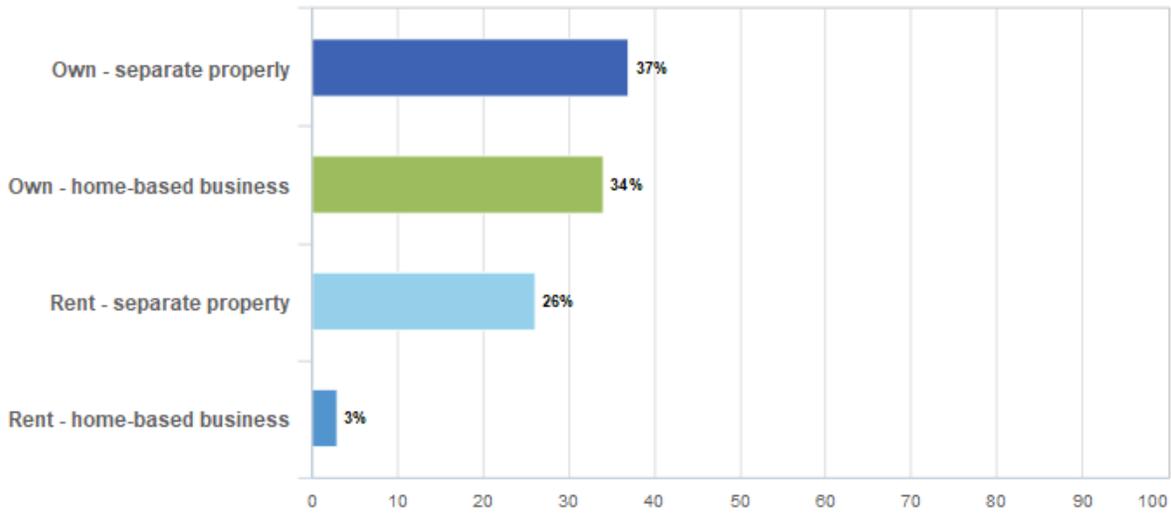


Rank	Option	Response %
1	Own	71%
2	Rent	29%

Note: Only a single option could be selected

More specifically, those who own use a separate property (37% of all respondents), while a similar number (34%) own the home their business is based out of. Most who rent business space rent a separate location (26%) rather than rent their location as a part of a home-based business (3%).

Do you own or rent the space where your business is located?



Sample Size: 105 (99% of Respondents)

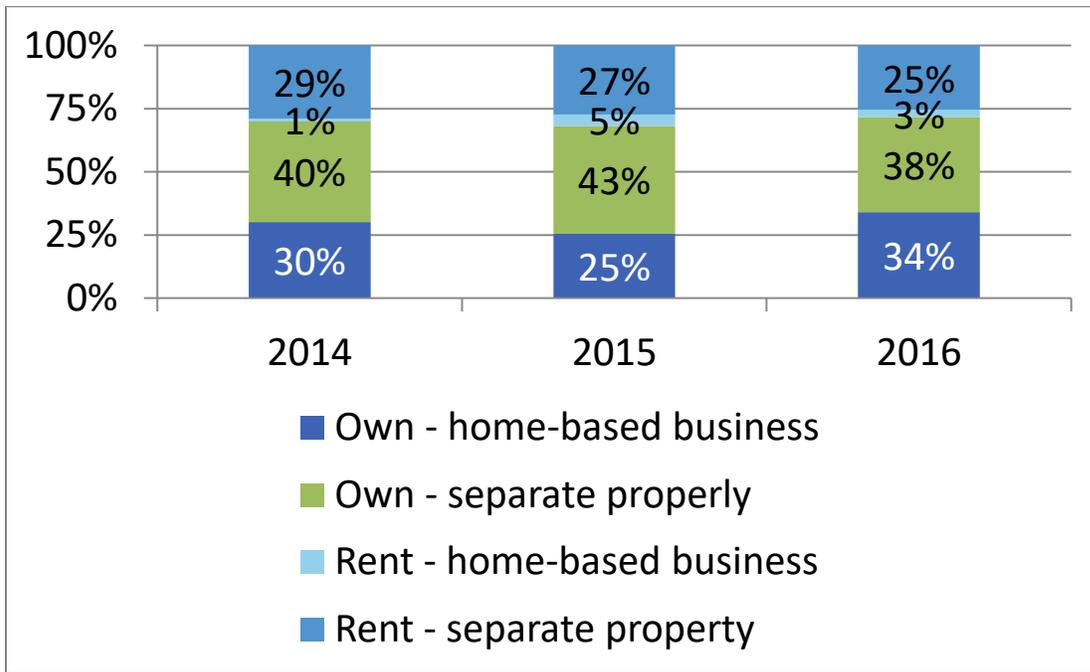
Do you own or rent the space where your business is located?

Rank	Option	Response %
1	Own - separate property	37%
2	Own - home-based business	34%
3	Rent - separate property	26%
4	Rent - home-based business	3%

Note: Only a single option could be selected.

More pet-service firms owned their business space in 2016 (72%) compared to the two years prior. Additionally, the proportion of ownership among home-based businesses versus separate locations also increased, from 25% in 2015 to 34% in 2016. Each year, fewer firms are renting a separate space, down from 29% in 2014 to 25% in 2016.

**Trend - Do you own or rent the space where your business is located?**



Sample Size: 399 (95% of Respondents)

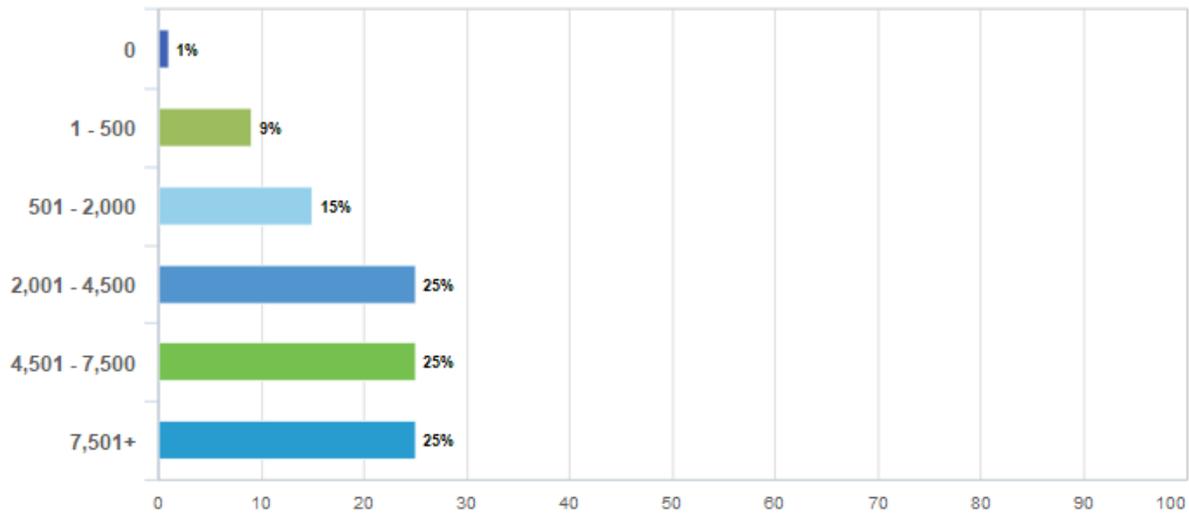
SAN

### Sizes

The physical size of businesses ranged widely, but 75% had more than 2,000 square feet. The median size was 4,500 square feet and the mode (most frequent size) was 12,000 square feet.

(The median is more representative than the average, which tends to overvalue the rare extremely high values that occur when analyzing numeric survey data. The median is the middle answer selected from a list sorting all the answers to this question.)

What is the total square footage of your business property?



Sample Size: 97 (92% of Respondents)

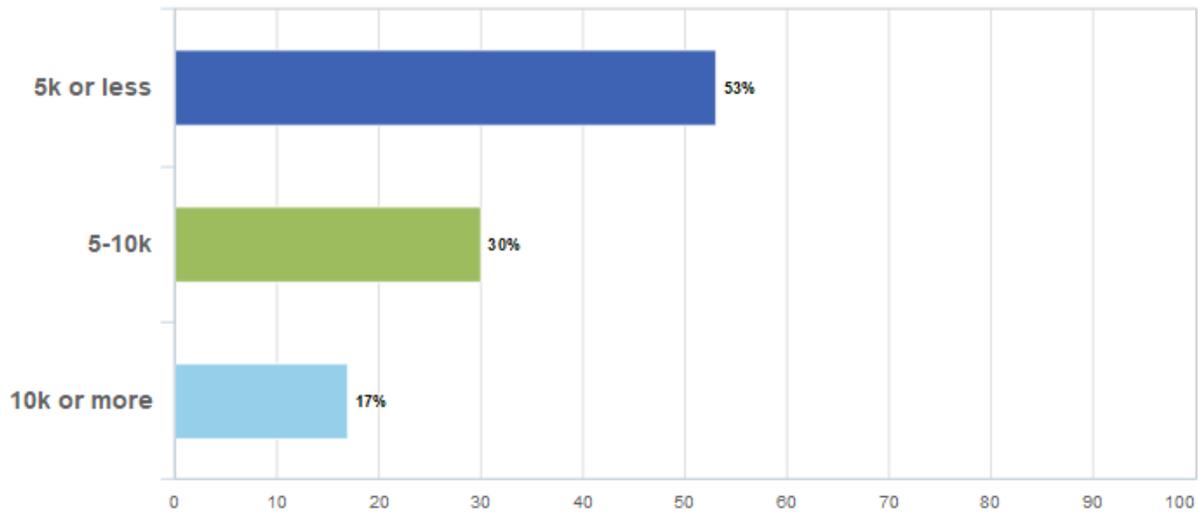
SA

*What is the total square footage of your business property?*

Option	Response %	Cumulative %
<b>0</b>	1%	1%
<b>1 - 500</b>	9%	10%
<b>501 - 2,000</b>	15%	26%
<b>2,001 - 4,500</b>	25%	51%
<b>4,501 - 7,500</b>	25%	75%
<b>7,501+</b>	25%	100%

About half (53%) of locations had square footage of 5,000 or less, while another third (30%) were in the 5,000-10,000 range.

**Square Footage**



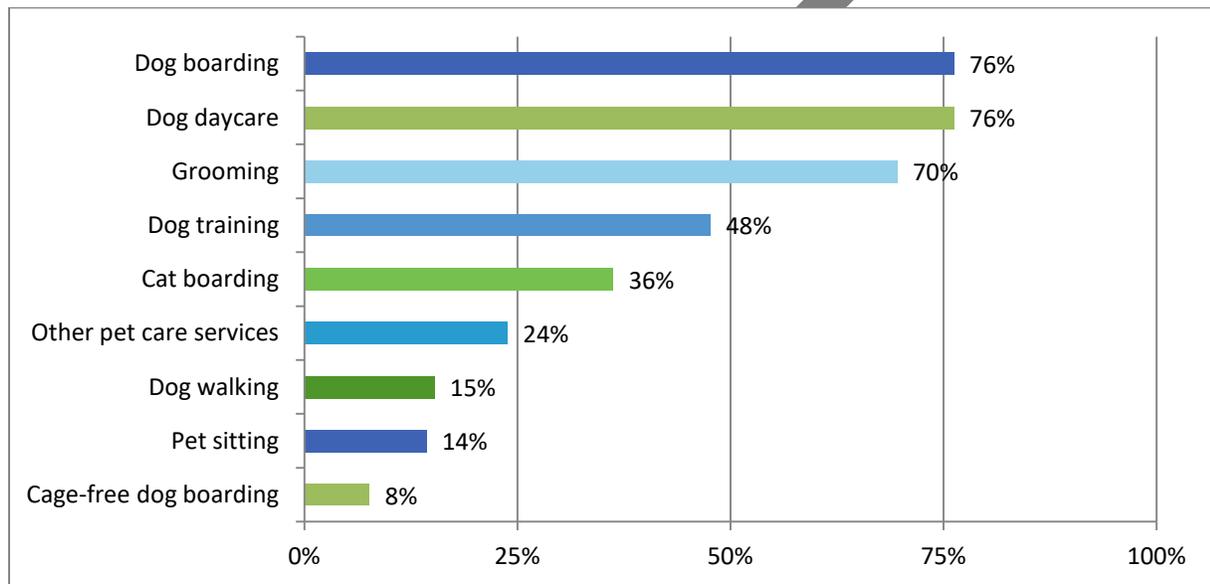
*Sample Size: 96 (91% of Respondents)*

## AMENITIES

### Overview

The most common pet services offered by firms are dog boarding and dog daycare (76% each), and grooming (70%). All other services were offered by fewer than half of the establishments surveyed, with dog training (48%) the most widespread of these, followed by cat boarding (36%).

What are the primary services offered by your pet-care business?



Sample Size: 92 (87% of Respondents)

*What are the primary services offered by your pet-care business?*

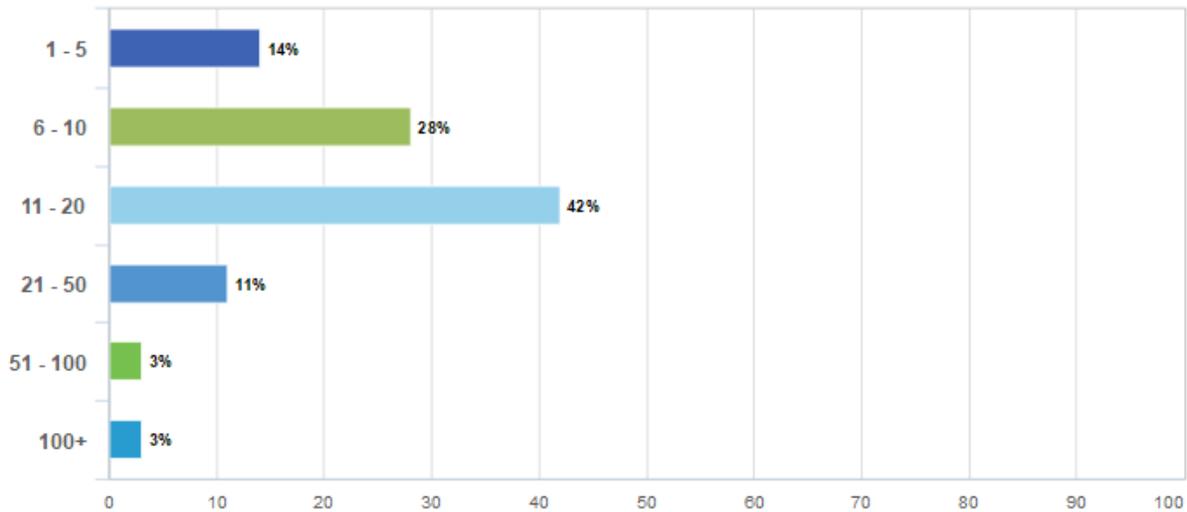
Rank	Option	Response %
1	Dog boarding	76%
2	Dog daycare	76%
3	Grooming	70%
4	Dog training	48%
5	Cat boarding	36%
6	Other pet care services	24%
7	Dog walking	15%
8	Pet sitting	14%
9	Cage-free dog boarding	8%

Note: Respondents could select multiple options

### Feline Information

Firms that offer cat boarding have maximum capacities ranging from 2 to 103 cats, with a median and mode of 12 cats.

How many cats can you board at once (“maximum capacity for cat boarding”)?



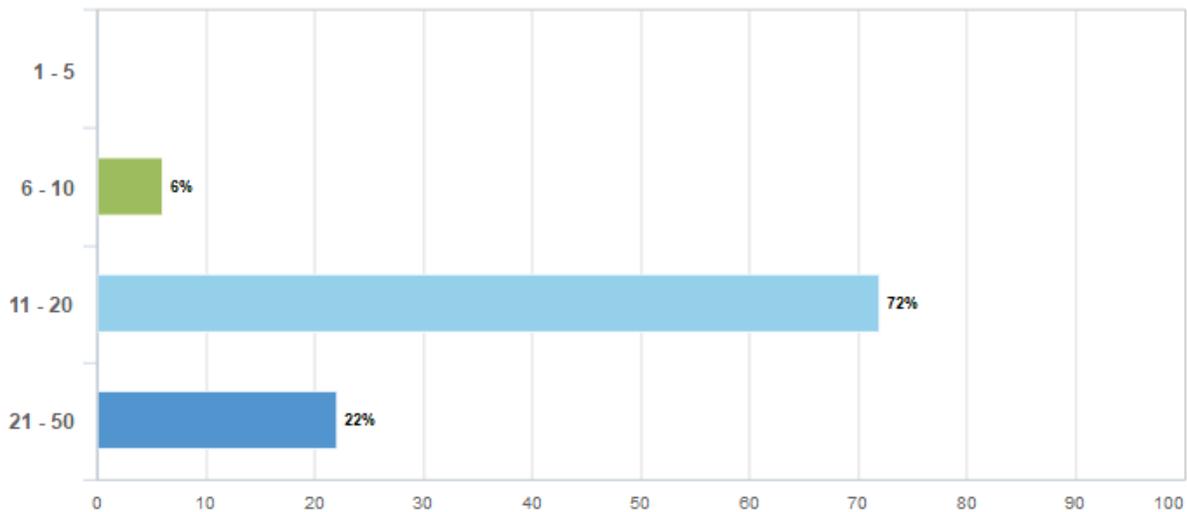
Sample Size: 36 (34% of Respondents)

How many cats can you board at once (“maximum capacity for cat boarding”)?

Option	Response %	Cumulative %
1 - 5	14%	14%
6 - 10	28%	42%
11 - 20	42%	83%
21 - 50	11%	94%
51 - 100	3%	97%
100+	3%	100%

Pet-service companies charged a median rate of \$17 to board one cat for one night, with a most common rate of \$15.

What is the average revenue for one cat boarding for one night?



Sample Size: 36 (34% of Respondents)

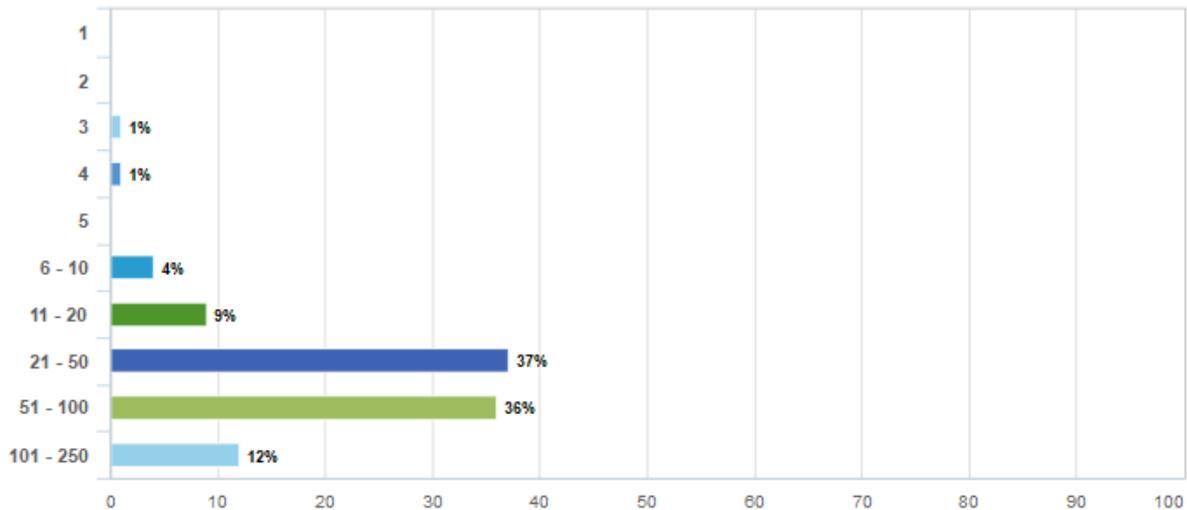
*What is the average revenue for one cat boarding for one night?*

Option	Response %
1 - 5	0%
6 - 10	6%
11 - 20	72%
21 - 50	22%

### Canine Information

Businesses have greater capacities for dog boarding: 3 to 250 dogs can be boarded at once, with a median of 50 dogs and a mode (most frequent answer) also of 50 dogs.

How many dogs can you board at once ("maximum capacity for dog boarding")?



*Sample Size: 76 (72% of Respondents)*